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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Response to Admiral Crowe's Letter of 18 August 1987

FROM: MG Larry D. Budge, USA
NIO/GPF
2E49 HQ

EXTENSION

NO.

NIC# 03638-87

DATE

31 August 1987

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Vice Chairman, NIC
H. F. Hutchinson, Jr.

4/31

4/31

H

2. Chairman, NIC
MGen. F. B. Horton III

31 Aug 87

M

3. ~~1/9~~ Executive Registry

1 SEP 1987

RK

4. SA/DCI

9/1

9/1

MM

5. DDCI

2 Sept

RG

6. DCI

3 Sept

8 SEP 1987

WKK

7.

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9. NIO/GPF
2E49 HQ

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Byedite - Need to
get Dodge Webster's
signature this week
if possible



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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC# 03638-87
31 August 1987

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Chairman, National Intelligence Council

FROM: MG Larry D. Budge, USA
National Intelligence Officer for
General Purpose Forces

SUBJECT: Response to Admiral Crowe's Letter of 18 August 1987

1. In your meeting with Admiral Crowe on 27 July, you discussed pending Congressional legislation, introduced by Senator Nunn, which requires the Intelligence Community to conduct net assessments, with the option of conducting these assessments jointly with DoD or JCS. As a result, on 18 August, Admiral Crowe sent you a letter (Tab A) proposing that the Intelligence Community and the Joint Chiefs of Staff conduct joint net assessments.

2. Background. The issue of joint net assessment stretches back to Secretary of Defense McNamara, and was the source of considerable disagreement between DoD and the Intelligence Community until 1981.

- ° In 1981 the Director of Central Intelligence and the Secretary of Defense agreed that they would jointly conduct net assessments. On the basis of this agreement, a net assessment of US and Soviet strategic forces was published in 1983 and updated in 1985. A net assessment on space capabilities was conducted by DoD in 1983, with formal and substantive Intelligence Community participation.
- ° In April 1986 the Packard Commission recommendations, which were implemented via NSDD-219, included a requirement for the preparation of joint net assessments by the DCI, Secretary of Defense and Chairman JCS. The purpose was to compare US and Allied Forces with those of possible adversaries. DoD had primary responsibility to respond to the NSDD, but nothing happened.

CL BY Signer
DECL OADR

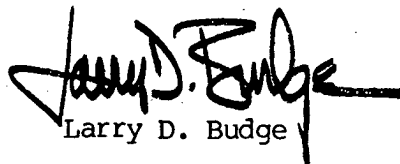
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- In October 1986 the Goldwater-Nichols Defense Reorganization Act specifically assigned preparation of net assessments as one of the responsibilities of the Chairman of JCS. Pursuant to this change, the Joint Staff recently completed the 1987 military net assessment to which Admiral Crowe refers in his letter. Threat data for this net assessment was provided by DIA; the remainder of the Intelligence Community was not involved.
- Senator Nunn has attached an amendment to the FY-88189 Intelligence Authorization Bill designed to increase the involvement of the Intelligence Community in conducting net assessments. Salient points of this amendment are as follows:
 - Secretary of Defense and Director of Central Intelligence develop a plan not later than 1 March 1988 for the conduct of net assessments by the Intelligence Community;
 - in view of the additional heavy demand this will place on analytical resources, Intelligence Community involvement in net assessments for DoD should be restricted to those areas judged critical to the overall effectiveness of US national security policy, strategy, tactics, or specific weapons systems;
 - net assessments may be conducted jointly by DoD and the Intelligence Community, but the Intelligence Community must have an equal role in establishing the parameters of the assessment and must be able to arrive at independent conclusions based on the results; and
 - completion of net assessments should be timed so as to provide maximum value in the decisionmaking process.
- In working with the SASC on the development of the Nunn Amendment, the Intelligence Community position has been to support joint net assessments with DoD rather than unilateral Intelligence Community net assessments.
- Although the Nunn Amendment does not differentiate between DoD and JCS, in fact, both DoD and JCS conduct net assessments. The Intelligence Community may, therefore, be working with two players, DoD and JCS, in conducting joint net assessments.
- To develop the plan required in the SASC Net Assessment Amendment, the NIO for General Purpose Forces, MG Larry D. Budge, has been designated by Chairman, National Intelligence Council as the point of contact for the National Intelligence Council to work with the rest of the Intelligence Community and with DoD and JCS. You may wish to take this a step further and designate him as the overall lead project officer for the Intelligence Community.

3. Recommendation:

- ° That you sign the response to Admiral Crowe at TAB B which makes the following points:
 - The Intelligence Community agrees that joint net assessments are the preferred alternative to unilateral net assessments.
 - Although it will require considerable expenditure of analytic resources, the Nunn Amendment is workable.
 - MG Budge, NIO/GPF, is designated to take the lead for the Intelligence Community to begin working with JCS representatives to develop a plan for conducting joint net assessments with JCS.
- ° That, at a future date, you or the DDCI discuss the Nunn Amendment and joint net assessments with the Secretary/Deputy Secretary of Defense and inform them of the Intelligence Community's readiness to begin the process of developing the 1 March 1988 plan required by Congress, designating MG Budge as the lead for the Intelligence Community.



Larry D. Budge

Attachments:
As Stated

CONCUR:

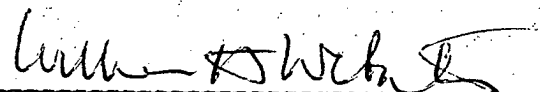

Chairman, National Intelligence Council

31 August 1987
Date


Deputy Director of Central Intelligence

2 SEP 1987
Date

APPROVED:


Director of Central Intelligence

8 Sept 87
Date

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SUBJECT: Response to Admiral Crowe's Letter of 18 August 1987

NIO/GPF/LBudge:fms

28 Aug 87

NIC# 03638-87

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Distribution:

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Executive Registry

87-4117X



CHAIRMAN OF THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20301

18 August 1987

The Honorable William H. Webster
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Bill,

Bob Herres and I enjoyed the opportunity to have lunch with you and Bob Gates some weeks ago. Given the developments in town, it was a most timely and useful session.

One issue you raised involved the CIA role in the preparation of the military net assessment called for in the Goldwater-Nichols bill and NSDD-219. As you know, the recent 1987 Military Net Assessment was developed by my staff with participation by DIA; however, there was only informal coordination with CIA. The 1987 Military Net Assessment would certainly have been enhanced by input from the entire intelligence community. A recent legislative initiative will likely formalize this relationship. Senator Nunn apparently felt that more involvement in net assessment by intelligence professionals was a prerequisite for the overall assessment of national military strategy. Accordingly, he amended the FY 88-89 intelligence authorization bill to direct the Secretary of Defense and the DCI to "develop a plan for the conduct of net assessment by the intelligence community." He further offered an alternative:

"Given the considerable resources associated with complex net assessments, the conduct of joint net assessments by DOD and the intelligence community are acceptable."

I believe this alternative would be the most beneficial to the intelligence community as well as the Joint Chiefs of Staff. It would also take advantage of the considerable expertise and resources of both.

DCI
EXEC
REG

-2-

While the details of the authorization bill are yet to be finalized, my sensing is that the Nunn Amendment is a step in the right direction. We would certainly have more confidence in the conclusions reached in the net assessment if the intelligence community were more formally involved in the process.

I would be willing to amplify these thoughts further, if you wish. Though legislative developments may preempt much of our thinking in this area, there should still be room for a healthy give and take.

Again, many thanks for the luncheon, and best wishes in your important new responsibilities.

Warmest regards,

A handwritten signature in dark ink, appearing to read "Bill", with a long, sweeping horizontal line extending to the left.

WILLIAM J. CROWE, JR.
Chairman
Joint Chiefs of Staff

Central Intelligence Agency



Washington, D.C. 20505

Executive Registry

87-4117/1

08 SEP 1987

Admiral William J. Crowe, Jr.
Chairman
Joint Chiefs of Staff
Washington, D.C. 20301

Dear Bill:

Thank you very much for your letter inviting Intelligence Community participation in net assessments conducted by the Joint Chiefs of Staff. I agree with you completely that joint net assessments are the preferred alternative to any type of unilateral net assessments. While the Nunn Amendment will require the expenditure of additional analytical resources throughout the Intelligence Community, I believe that the requirements contained therein are workable, particularly in close concert with the Department of Defense and the Joint Chiefs of Staff.

I have designated Major General Larry D. Budge, the National Intelligence Officer for General Purpose Forces, as my point of contact within the Intelligence Community to develop arrangements for conducting joint net assessments with the Department of Defense and the Joint Chiefs of Staff. I would suggest that your staff contact him and that together they develop the arrangements which you and I can then approve at a later date.

I enjoyed our visit and look forward to meeting again.

Sincerely yours,

/s/ William H. Webster

William H. Webster
Director of Central Intelligence

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